

ARTICLE APPEARED  
ON PAGE 1ABALTIMORE SUN  
30 November 1986

# Iran talks said to predate authorization by Reagan

J By James Traub  
Special to The Sun

NEW YORK — Classified documents made available last week to defendants in an arms-smuggling case in New York contained a highly detailed allegation that the United States sought to sell F-4 fighter planes to Iran as early as the summer of 1985, six months before President Reagan authorized the National Security Council to explore covert arms shipments to that country.

The documents, which consist largely of memorandums submitted to the U.S. government by an Oregon businessman, also offer intriguing, though circumstantial, evidence that the defendant in the alleged conspiracy had knowledge of secret U.S. policy.

The first of the documents, dated Nov. 30, 1985, and signed by Richard Brenneke, the president of a real estate management company in the

Portland area, begins with the claim that "the Iranian government wishes to purchase a total of 110 new or factory remanufactured F-4E fighter aircraft at current fair-market prices. They want the initial purchase to consist of 39 of these aircraft."

The Iranian air force, built up under the late shah, consists largely of American F-4 and F-14 jets.

The nine-page memorandum, which is labeled "CONFIDENTIAL," goes on to state that "the U.S. government has had an interest in conducting such a transaction. In June-July 1985, Mr. Boyle of the National Security Agency agreed in principle to a contract to supply the initial 39 aircraft. This contract was for approximately three months and expired, unfulfilled, Oct. 15, 1985."

Mr. Brenneke then supported this claim by listing the name, telephone number and telex number of bank officials in Brussels, Belgium, and elsewhere who were to handle the deal, as well as the name of a Paris-based CIA employee allegedly given "the responsibility for overseeing the operational aspects of the transaction."

Experts on the Middle East consider it highly unlikely that the NSA, which is charged with electronic in-

telligence gathering, would be entangled in arms negotiations with Iran, and they suggest that Mr. Brenneke might have been referring instead to the National Security Council.

The NSC, which provides the president with foreign policy counsel, directed the covert contact with Iran. According to an administration official, no one named Boyle was serving on the staff of the NSC as of mid-1985. No spokesman for the NSA was available over the week-end.

Mr. Brenneke did not return numerous phone calls to his home and office yesterday.

Mr. Brenneke's claim, if true, would deal a further blow to the Reagan administration's credibility, since officials have insisted that the president did not authorize direct contact with Iran until Jan. 17.

Authorities on the Middle East consider the purported deal highly unlikely, though the timing and wealth of detail in the documents lend it a measure of plausibility. It was in July of 1985, it is now known, that Robert C. McFarlane, then the president's national security adviser, first discussed with Israeli officials the possibility of seeking out moderate elements in Iran. One month later, the Israeli government sent to Tehran a planeload of arms that the Israelis insist — and the administration denies — had tacit American approval.

Elsewhere in the documents, which were sent to an officer in U.S. Marine Corps intelligence, to the office of Vice President George Bush and to others, Mr. Brenneke states that Vice Adm. John M. Poindexter, who resigned as national security adviser last week, "issued verbal approval for the sale of 10,000 TOW missiles to Iran by a private company" in the last week of December 1985. The administration has conceded that it sold TOWs to Iran, but officials have placed the number of missiles at 2,000.

Mr. Brenneke also told the *New York Times* that early this year he learned through intelligence contacts of the plan to use the proceeds from the arm sales to buy weapons for the Nicaraguan "contras." According to the *Times*, the businessman said he informed an aide to the vice president, who said, "We will look into it."

Mr. Brenneke's objective was to persuade the government to grant him an exclusive right to sell defense equipment to Iran, a country with which he seems to have extraordinary contacts.

In his first memorandum he offers "a suggestion made to me by an Iranian official . . . that elements in Iran could be pressured by the government to assist in the release of the hostages now being held."

Throughout the documents, which cover a period that stretches into late February, he argues that pro-Soviet elements inside Iran will gain the upper hand over moderates absent American support. He analyzes Iranian politics and details Soviet approaches.

Gary Sick, an expert on Iran and a former NSC official, describes Mr.

Brenneke's observations as "at least superficially plausible" but says that "it sounds pretty off-the-wall if you look closely at what he says."

Mr. Brenneke also has a partner, and here the story of secret American foreign policy begins to merge with the story of the 10 men arrested in April for allegedly plotting to sell \$2 billion worth of arms to Iran.

In the federal sting operation that led to the arrests, the defendants can be heard repeatedly saying on tape that they thought their transaction would be covertly sanctioned by the United States. Their source for this information was an elusive figure named John de la Roque — Richard Brenneke's partner.

During the summer, before secret American arms sales to Iran had become known, the federal prosecutor in the smuggling case ridiculed the defendants' claim as seeking "comfort in fantasy." As details of the covert policy unfolded, defense lawyers argued that their clients were, in fact, acting on the basis of solid information.

And the Brenneke documents, in the words of defense attorney Jonathan Marks, "raised the question of whether or not the administration was giving serious consideration to authorizing the . . . sale." Or, as another attorney, Paul Grand put it, "You got the U.S. prosecuting people after inviting them in the hut."

The memorandums themselves do not show U.S. officials issuing any invitations. On Jan. 15, Mr. Brenneke wrote in a letter to Vice President Bush that Admiral Poindexter, then the national security adviser, had rejected his proposal.

Three weeks later, an aide to Mr. Bush wrote Mr. Brenneke that "the U.S. government will not permit or participate in the provision of war

Continued

material to Iran and will prosecute any such effort by U.S. citizens to the fullest extent of the law."

Mr. Brenneke, however, told the *New York Times* that the letter served as a fig leaf for further contact and that the Bush aide, E. Douglas Menarchik, provided details of the arms shipments to Iran.



ASSOCIATED PRESS

**RICHARD BRENNEKE**  
Wrote confidential memos

The prosecution initially resisted releasing the documents, finally agreeing to do so at a hearing Nov. 17 in order to ward off further efforts by the defense to gain access to classified documents.

Along with other revelations, the letters and memorandums could seriously damage the government's case. Rudolph Giuliani, chief federal prosecutor for the Southern District of New York, said in a statement: "New facts have come to light which must be fully developed and assessed before responsible evaluation can be made as to their bearing on the case."

A spokeswoman, Deborah Corley, declined to elaborate on the statement, though she said that it did not rule out dropping the case.

One of the principal mysteries of the alleged smuggling conspiracy, which purportedly was carried out in Paris, London, Athens, Jerusalem and New York, has been the source of the claims made by Mr. de la Roque and another partner, Bernard Vaillot.

In taped conversations with Cyrus Hashemi, an Iranian financier and arms dealer who conducted the sting at the behest of the Justice Department and the U.S. Customs Service, Mr. de la Roque and Mr. Vaillot offer a startling account of the inner workings of the U.S. government.

In a Feb. 7 tape, the gravel-voiced Mr. de la Roque tells Mr. Hashemi from his home in St. Tropez that "my understanding is as follows: It will move from the vice president through the president. . . . Now it's as far as up as it can go. And the man that has it now [Mr. Bush] says it's good. You know who he is. He used to be the head of the CIA, so he knows what he's doing."

Another defendant, Sam Evans, says on the tapes that Mr. Vaillot has told him that "Bush is in favor, [Secretary of State George P.] Shultz against, but nevertheless they are willing to proceed."

Though it is far from clear — Mr. Vaillot and Mr. de la Roque have remained incommunicado in France since the arrests last April — much of this information seems to have come from Mr. Brenneke.

The businessman, who gave his age to the *Times* as 45, first wrote to the vice president in mid-January. If he then began having conversations with aides in the vice president's office and others, he might have passed on the substance of his talks, or a highly optimistic version of them, to his partner, Mr. de la Roque.

The entire federal sting operation went into motion in late November when Mr. Hashemi heard from Mr. Evans and another defendant, Nico Minardos, that the two Frenchmen involved in the case claimed that they could get U.S. cooperation for an arms sale to Iran. That was precisely the time when Mr. Brenneke first made contact with U.S. officials. Their information, presumably, came from him.

Sources close to the investigation say that Mr. Hashemi, who at the time was facing a 1984 indictment for smuggling arms to Iran, then offered to cooperate with the government in exchange for lenient treatment. At that point, according to a federal official connected with the case, the Customs Service did not contact other agencies to look into the claims.

"This raised the possibility," says defense attorney Marks, "that the NSC and the vice president didn't know that the Customs people were engaging in a sting operation." The Customs Service, he and other attorneys suggest, blundered into covert foreign policy and made the defendants innocent victims.

Prosecutor Warner Scofield has taken strong exception to this argument. In the November hearing, he said that U.S. foreign policy has "no connection with defendants in this case or with the acts charged in this case."

Several of the defense attorneys have asked U.S. District Judge Leonard B. Sand to permit them to subpoena Mr. Bush, Admiral Poindexter and Mr. McFarlane, among others. Judge Sand has postponed argument on this issue, together with requests for further "discovery" of secret material, to Dec. 8.